

SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Executive Registry

83-1668/1

FROM: James N. Glerum
Director of Personnel
SE-58 Headquarters

EXTENSION

NO

DATE

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Executive Registry
7E-12 Headquarters

2.

3. Executive Director

4.

[Redacted]

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Attached is a briefing paper for the DCI regarding the Thursday Cabinet meeting on retirement reform. We have also attached, for information, copies of the impact paper which the DCI gave the President on 10 March and of our February study on proposed retirement changes.

James N. Glerum

Distribution:

Original - ExDir

1 - Executive Registry

1 - D/Pers

1 - DD/Pers/SP

DD/Pers/SP

DCI
EXEC
REG

23 March 1983

SECRET

L 200
P 132

DCI BRIEFING ITEMS FOR
CABINET DISCUSSION OF RETIREMENT REFORMS

I. Introductory Points

- We are supportive of the Administration's efforts to cut government costs and reform certain aspects of the government's compensation and benefits program.
- I fear that the retirement age increase and annuity penalty reduction proposals will impede your effort to revitalize and enhance the Agency's intelligence capability and product.
- The CIA has a long established policy which encourages employees to retire at ages substantially earlier than elsewhere in government (56.9 under Civil Service and 52.8 under CIARDS).
- This policy has been based on the recognition that the Agency's vital missions require the recruitment and retention of a corps of careerists performing their operational, analytical or support duties with substantial dynamism, high motivation and unflagging dedication throughout a career of 20 to 30 years.
- The early retirement provisions of the Civil Service Retirement and CIARDS systems have served the Agency exceedingly well by providing management tools to attract new recruits, provide timely career progression, and encourage retirement of personnel when CIA management prefers that they retire.
- Extending the retirement age would seriously impair the ability of Agency management to maintain employee progression and "flow through" so essential to maintaining maximum effectiveness in meeting requirements.
- The combined attractiveness of the Agency's current career opportunity and benefits package has greatly assisted in the recruitment and retention of critically needed professionals and offsets the relatively lower starting salaries that we can offer as compared to what the private sector offers these high calibre individuals.

II. Specific Impacts of Increase Retirement Age and Penalty Proposals

- Loss of early retirement incentives will severely reduce on-board employee rotations and retirements and dry up promotion opportunities for all employee levels.
- Loss of many of our more senior and most valuable employees now eligible for early retirement when faced with the loss of opportunities for further advancement.
- Loss of the most promising of our mid-level and younger officers who would seek careers elsewhere when blockages for assignments and advancement occur.

- Increased turnover in the ranks of intelligence personnel will make it increasingly difficult to safeguard national security information.
- Loss of sufficient inducement to effectively compete with the private sector for high level talent in critical scientific and technical areas, specialized analysts, computer specialists, and similar "hard to get" categories.
- 25X1 -- Approximately of the Agency's employees are covered by the CIA Retirement and Disability System (CIARDS). This special retirement sytem offers voluntary nonreduced annuities for members at age 50 with 20 years of service. The system was instituted in 1964 in recognition of the frequently dangerous and adverse work and living conditions and early "burnout" faced by individuals serving the overseas activities of the CIA.
- Termination of the ability to offer the operational cadre retirement with full benefits at age 50 would have a devastating impact of the clandestine service both as regards recruitment of young officers and retention of the on-board cadre.
- By the time they reach early retirement eligibility many CIA officers are compromised and are encouraged to retire with the diminution of their effectiveness.

EXECUTIVE SECRETARIAT**Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers		X		
15	D/OEA		X		
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
20	D/Pers		X		
21					
22					
SUSPENSE		Date			

Remarks:

DCI have original of attached to
the President on 10 March 1983.

Executive Secretary

Date

3637 (10-81)

25X1

DCI
10 March 83Impact on CIA of Higher Retirement Age and Related Changes

- Retirement at 50 made available in recognition of dangers and burdens of the work, early burn-out potential and need for prospect of rapid advancement to attract quality of recruits required.
- People who committed their careers on this basis view withdrawal as a breach of faith.
- All at CIA believe that our best and most valuable people are likely to leave in large numbers to begin second careers now if retirement terms are significantly altered.
- Enough will leave to seriously set back rebuilding of intelligence currently under way and result in loss of critical skills.
- Managers are deeply concerned that extending the age of retirement, as contemplated by the retirement proposals and the Social Security legislation, will make it difficult to retain current employees and attract new individuals possessing critical skills who are willing to make a career in intelligence. We cannot maintain either security or a professional intelligence service if we must rely upon people who are only willing to come to CIA for a few years of excitement and then feel that they must leave in order to earn a salary and retirement benefits appropriate to their skills.
- Loss of early retirement would impair our ability to compete with the private sector for high-level talent in critical scientific and technological areas, where we are currently able to hold people who can double their earnings any day. We'd lose hundreds of these people very quickly if the arrangements on which they rely for their family's security were suddenly taken away.
- We are in trouble if we begin to attract persons who come to or stay at CIA only because they have no other employment opportunities. Before they reach age 65, CIA officers are often compromised and their effectiveness diminished; others are not up to the particular rigors of Agency assignments.
- Retirement at ages earlier than elsewhere in the government also has been a key feature of our personnel management system because such attrition created sufficient promotion opportunities for promising officers. Extending the retirement age will have a devastating long-term impact on the promotion aspirations of our best young officers and will impair the ability of Agency managers to attract and retain skilled professional employees.